



Southeastern Idaho News

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA & POWER COUNTIES

ECONOMIC TRENDS

The Pocatello Metropolitan Statistical Area's unemployment rate crept up a tenth of a percentage point to 3.5 percent from December 2005 to December 2006. The increase mirrored the one for Bannock County. The rate dipped year-over-year for all the other area counties except Oneida, which maintained an enviable 2 percent unemployment rate. See Southeastern Idaho Table 2 for other county rates.

Year-over-year, the work force in Bannock County grew from 45,370 to 46,200 in December of 2006. The increase of 450 workers, partially attributed to holiday hiring, accompanied the addition of 90 workers to the jobless rolls as workers returned from seasonal jobs out of the area in construction, fishing and oil exploration. This fluctuation of seasonal workers counters some recent concern about the continued availability of workers in the southeastern part of the state. If workers leave the area periodically because they are part of the underemployed work force, they most likely would stay in the area permanently if they found suitable jobs.

SPECIAL TOPIC: Economic Indicators

What are economic indicators and why are they important? An economic

**Southeastern Idaho Table 2: November 2006
Seasonally Adjusted Unemployment Rates
for Southeastern Idaho Counties**

	% Dec 2005	% Dec 2006
Bannock	3.5	3.4
Bear Lake	3.7	2.8
Bingham	3.5	3.1
Caribou	5.0	4.1
Franklin	3.	2.8
Oneida	2.0	2.0
Power	4.7	4.6
Statewide	3.5	3.4

**Southeastern Idaho Table 1: Pocatello MSA Labor Force & Employment
Bannock and Power counties**

	Dec 2006*	Nov 2006	Dec 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	46,200	45,750	45,370	1.0	1.8
Unemployment	1,630	1,640	1,540	-0.6	5.8
% of Labor Force Unemployed	3.5	3.6	3.4		
Total Employment	44,570	44,110	43,830	1.0	1.7
<i>Unadjusted</i>					
Civilian Labor Force	45,980	46,050	45,320	-0.2	1.5
Unemployment	1,600	1,590	1,480	0.6	8.1
% of Labor Force Unemployed	3.5	3.5	3.3		
Total Employment	44,380	44,460	43,840	-0.2	1.2
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	40,760	40,880	39,540	-0.3	3.1
<i>Goods-Producing Industries</i>	6,060	6,200	5,660	-2.3	7.1
Natural Resources & Mining	30	30	30	0.0	0.0
Construction	2,570	2,690	2,220	-4.5	15.8
Manufacturing	3,460	3,480	3,410	-0.6	1.5
Food Manufacturing	1,290	1,280	1,020	0.8	26.5
Fabricated Metal Product Manufacturing	160	160	160	0.0	0.0
Machinery Manufacturing	220	230	110	-4.3	100.0
Other Manufacturing	1,790	1,810	2,120	-1.1	-15.6
<i>Service-Providing Industries</i>	34,700	34,680	33,880	0.1	2.4
Trade, Transportation & Utilities	7,990	7,880	7,700	1.4	3.8
Wholesale Trade	1,420	1,400	1,360	1.4	4.4
Retail Trade	5,090	5,000	4,830	1.8	5.4
Utilities	50	50	50	0.0	0.0
Transportation & Warehousing	1,430	1,430	1,460	0.0	-2.1
Information	750	770	740	-2.6	1.4
Financial Activities	2,180	2,170	2,100	0.5	3.8
Professional & Business Services	5,280	5,250	4,960	0.6	6.5
Educational & Health Services	3,510	3,490	3,460	0.6	1.4
Leisure & Hospitality	3,280	3,270	3,460	0.3	-5.2
Other Services	1,240	1,240	1,160	0.0	6.9
Government Education	5,870	6,100	5,950	-3.8	-1.3
Government Administration	4,600	4,510	4,350	2.0	5.7

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

indicator can be any economic statistic, which is used to explain how the economy is doing or how the economy is expected to do in the future. The concept seems easy to define, but actual events are not as easily recognized and identified as one might expect.

Economic indicators are characterized by timing, relationship and frequency of data evaluation. First is timing. Economic indicators can be classified as leading, lagging or coincident to how the economy is performing. A leading indicator is something that changes before the economy changes and is often used to predict how the economy will

do in the future. Stock market returns are often considered a leading indicator. A lagging economic indicator is one that does not change until after the economy changes. The unemployment rate is a lagging indicator because it quantifies what has already happened. A coincident economic indicator moves at the same time and in the same direction as the economy. The gross domestic product, which measures current value of goods and services, is a good example.

Relationships among these indicators are most often defined as procyclic and countercyclic. A procyclic indicator moves in the same direction as the economy like gross domestic product. A countercyclic indicator moves in the opposite direction like the unemployment rate, which gets smaller as the economy gets better.

Finally the frequency of the data is a major consideration. Some economic indicators like the gross domestic product are released quarterly. Others like the Dow Jones Index are released every minute. The time frame the indicator measures must be recognized before developing any conclusions about future expectations.

The 10 components of the economy used by the Conference Board for its leading indicator index are average weekly initial unemployment insurance claims, building permits, the interest rate spread, average weekly manufacturing hours, index of consumer expectations, real money supply, vendor performance, stock prices, manufacturers' new orders for nondefense capital goods and manufacturers' new orders for consumer goods and materials.

Commonly evaluated economic indicators for the state of Idaho and their sources are the gross state product, per capita and personal income provided by the U.S. Bureau of Economic Analysis; general fund revenues provided by the Idaho Division of Financial Management; business growth from the Idaho Secretary of State and job growth and number of people working provided by Idaho Commerce & Labor.

AREA UPDATES

True to the philosophy that everything is connected, many events that occur in one county will affect the economy of a neighboring county or perhaps the entire region. In January it seemed many such occurrences took place in southeastern Idaho. It is not possible to predict the exact outcome of these events, but some are worth noting.

- Hawaii-based energy company, Hoku Scientific, announced it will build a \$220 million polysilicon manufacturing plant in Pocatello. The plant building is slated for completion in late 2008 and is

expected to create many construction-related jobs. Approximately 200 full time positions will be needed to operate the facility, and other ancillary business may be relocated close to Hoku. It will most likely affect every county in southeastern Idaho.

- For the first time in 15 years gas and oil exploration permit applications for the southeastern part of the state have been filed with the U.S. Bureau of Land Management's Boise office. As of January 2006, neighboring Wyoming had issued nearly 20,000 leases, and about \$400 million in royalties have been paid to the state. The passage of the August 2005 Energy Policy Act and higher oil prices are believed to be the catalyst for the Idaho permit requests. Public hearings and an environmental impact analysis will take about a year and a half. Debates are anticipated between those concerned with keeping public lands preserved in their natural state and those wanting to develop natural resources for economic gain.
- Tourism, agricultural interests and life style issues in southeastern Idaho will all be affected by the Bureau of Land Management's Resource and Environmental Plan being formulated for about 12 percent of the region's land. The plan will address a wide range of topics such as riparian zones, mining reclamation, fire treatment, managing off-highway vehicles, the Oneida Narrows, disposal of land, containment and control of selenium, mining reclamation and sage grouse populations. Public meetings have already taken place around the region in February, and BLM officials are encouraging citizens to let their thoughts and concerns be known.
- Boise State University's football victory in the 2007 Fiesta Bowl has had a positive impact on the economy of southeastern Idaho as well as other parts of the state. The prime-time exposure Idaho garnered on national television would have been nearly impossible to buy. The Boise Police Department is taking advantage of the exposure in its successful recruiting campaign, using the slogan "The team you want, the city you'll love!" Inquiries from out-of-state entities regarding economic development possibilities have increased as has interest in Boise State graduate programs.

COUNTY DEVELOPMENTS

BANNOCK COUNTY

- In addition to the announcement that Hoku Scientific is planning to locate in the area, local officials were encouraged when former Gov. Jim Risch an-

nounced a \$2 million loan from the state to assist in developing the “Rabbit,” the name given to a facility producing isotopes for research involving shorter irradiation times than current reactor operations provide. Several companies have indicated interested in locating near such a facility including IsoRay Medical, which uses radioactive isotopes in treating cancer.

- A new College of Technology research center is scheduled to open this fall at Idaho State University. The college will offer three associate degrees in energy-related engineering. The Energy Systems Technology and Education Center is primarily funded by a \$2 million U.S. Department of Labor grant to offset a growing shortage of energy system technicians. Program Director Scott Rasmussen said there will be 20 positions available next fall for students seeking associate degrees in instrumentation and control. An electrical engineering program will begin next year, and mechanical engineering will be added in 2009.
- The city of Chubbuck is pursuing seed money from the Department of Environmental Quality to help pay for the installation of a sewer line to accommodate growth in the northern part of Bannock County. If the project goes forward, builders will be required to pay a substantial fee to connect to the system. The fee probably will be similar to the current fee of \$2,250 that was phased in during 2006. There were 24 permits filed in August, 113 permits in September, 10 in October and 17 in November. During 2006 the city of Chubbuck issued 281 permits, 41 more than in 2005.
- In response to concerns expressed by local businesses, Chubbuck officials are considering implementing a permit program for temporary business operations such as Christmas tree lots, sidewalk sales, parking lot sales, outdoor festivals, storage containers and mobile food vendors. Most concerns were based on a desire to establish similar fees for all businesses and make a determination as to how long a business could avoid a permit fee by claiming to be temporary.
- Clarion Associates was hired last fall to help update Bannock County’s comprehensive plan. As part of its strategy for identifying good and bad things about the county, Clarion asked Highland and Marsh Valley high school students to spend part of a civics class photographing examples of positive and negative elements in the area. The students provided brief explanations about each photo to a 15-member citizens advisory commit-

tee. Clarion officials said the visuals have proven to be a good starting point for communities to identify priorities.

- Big Sky Airlines plans to discontinue service to the Pocatello Regional Airport. The Billings, Mont.-based company said it has been losing money on the Pocatello-to-Boise flight. Local officials are talking to several other airlines and are confident of finding one that can serve the Pocatello-to-Boise route as well as provide good connections to other flights from Boise.
- PJ’s Barbeque reopened in January after remodeling. The business, owned and operated by Pete Otto, offers a unique array of South African sausages and traditional dishes like Frikkadelle, a seasoned meatloaf dish and Vetkoed, which is a type of scone.
- Often businesses interested in moving to southeastern Idaho say the quality of life and clean environment are major considerations. That interest and the desire to conserve energy brought the cities of Chubbuck and Pocatello together to discuss light pollution and implement “dark sky: ordinances to curb light reflected on the night skies. Previously the cities installed some sodium lights designed to reflect toward the ground, and some incandescent lights have been converted to LED lights. But only recently have lighting ordinances been proposed.

POWER AND BINGHAM COUNTIES

- Bingham County commissioners were busy again this month evaluating preliminary plats for subdivisions. An extension was granted for the second month in a row to Future of Idaho for plat approval of 27.77 acres in the Groveland area because of uncertain city water and sewer services. The 44-lot Sharply Park subdivision, originally platted as a 66-lot development and called Country Garden, was approved with the understanding that residents must be required to connect to a sewer line when one becomes available.
- The surge in building permits being approved by Blackfoot County has not gone unnoticed by the Snake River School District. Based on 10-year enrollment trends, school officials have been projecting decreasing enrollment. Countywide, however, there has been a 23.6 percent increase in pre-schoolers and a 9.4 percent increase in the 5- to 15-year-olds. How that growth will impact each school district is not as easy to forecast because of uncertainty over which schools these children will attend.

- Cheese processor Sartori Foods and the city of Blackfoot received a \$500,000 community development block grant from Idaho Commerce & Labor. The grant will be used to make improvements to the city water system, which will allow Sartori to begin a \$3.3 million expansion, creating 26 more jobs at the plant.
- Underground Apparel, owned and operated by Anthony Yancey and Shane Bolinder, opened for business a couple of months ago but chose to wait for an official ribbon cutting until February. The owners located in downtown Blackfoot because they believe recent improvements add viability to the shopping area. The store specializes in many styles of brand name clothing not found in other Blackfoot stores.
- Bingham Memorial Hospital celebrated the opening of a new \$200,000 birthing center, which allowed consolidation of many needed services in one location. The rooms are large and decorated to create a home-like atmosphere.
- More than 3,300 Bingham County residents signed petitions calling for a special election to form a county-wide mosquito abatement district. Bingham County was one of the most affected by West Nile virus last summer, and citizens are anxious to start an eradication program as soon as possible. Once the necessary 1,500 signatures are verified, an election will be scheduled, most likely in May.
- The American Falls City Council discussed the possibility of constructing a seawall in the area of the American Falls marina. The seawall will most likely be built next year to slow erosion and make a beach more accessible to swimmers and boaters. The estimated cost for the final project is nearly \$450,000 with an initial cost for engineering reviews and environmental assessments of about \$23,000.

FRANKLIN COUNTY

- Construction has begun on a new fire station in the Dayton area. The nearly 5,000-square-foot building is expected to be finished late this year. It will have three bays and house a 1,000 gallon pump truck, a mini-pump truck and a brush truck. The new station is the second of four the fire commissioners committed to build when the district was formed. Response time to fires should be reduced by up to 20 minutes. Residents in the area should notify their insurance companies to see if the location of the new station will reduce their home insurance rates.
- Franklin County is experiencing unprecedented growth in new housing. Many new home developers

are from out of state and are selling homes to people moving from large cities in search of a more relaxed life style. The Franklin County commissioners approved a 182-day moratorium on all planned multi-home developments within the county so the Planning and Zoning Board can update building ordinances that will ensure infrastructure, health and environmental concerns are addressed.

- Worldwide demand for mink is at an all-time high, and production is booming in Franklin County. One of the region's top producers is Kent Beckstead of Lehi, Utah, and he is moving one of his three farms to the county. The operation will consist of 18 to 20 mink sheds for approximately 4,000 mahogany or dark mink. The farm will have a payroll of \$60,000 to \$70,000 a year. Most of the pelts produced in America are shipped to China or Russia. Because of the high quality of the American-produced pelts, they generally sell at a 30 percent premium.
- Westside High School will soon begin construction of a new track thanks to the efforts of a four-person fundraising committee. The total project will be done in three phases and is estimated to cost approximately \$250,000.
- The owner of two fitness centers, Jeannine Groll, was selected to lead the Preston Chamber of Commerce for the upcoming year. Besides working with merchant groups to bring more business to the city, she plans to continue working on the walking trail and city beautification projects.

BEAR LAKE COUNTY

- The Georgetown City Council voted to significantly increase hook-up fees for sewer and water services. The current rate of \$500 per service is being increased to \$1,500. The comprehensive plan was reviewed and tabled for some clerical corrections before being presented to the citizens.
- The nurse training program at Bear Lake Hospital has been successful in boosting staffing. Three years ago the hospital was paying a premium to bring nurses to the area and accommodate a significant amount of overtime. That's when the hospital board initiated Grow Our Own, a program offering stipends, scholarships and hospital-based distance-learning classrooms to entice local residents to make nursing a career. The program pays 75 percent of a nurse's education costs in return for the nurses working at Bear Lake Memorial for at least the same number of years they received educational assistance. Bear Lake Memorial is fully staffed while statewide, there are more than 400 nursing vacancies.

- Montpelier received a community development block grant to boost downtown revitalization efforts. The grant was awarded from the King's Store Fund and Idaho Community Foundation. It is part of the Idaho Gem Community program promoting economic development in rural communities.
- A new business to the area, Timber's Steakhouse, was recognized by the Greater Bear Lake Chamber of Commerce. The business is owned and operated by Laurie and Bryce Crane and specializes in prime rib dinners.
- The Bear Lake County Planning and Zoning Board began establishing growth area designations for existing communities. Bennington was chosen as the first community that will be evaluated. Public hearings were held to discuss the proposals and get public input on the board's recommendations.
- The Grace School Board recently voted not to advance the idea of consolidation after a straw poll indicated overwhelming opposition to the idea. Dropping enrollments and aging buildings had prompted a discussion of school district consolidation between the Soda Springs and Grace school boards. Unless a mail-out ballot count for Grace patron is substantially different, there will not be any school consolidations in the near future.
- Oneida County officials will ask residents May 7 to pass a bond to build a new jail. A similar request failed to get the two-thirds majority needed to pass last May. As part of the funding package, Oneida County Sheriff Jim Semrad said there is a good chance the federal government will provide \$200,000 in startup money if the county agrees to a 20-year contract to house up to 30 federal prisoners.

CARIBOU AND ONEIDA COUNTIES

- In Soda Springs, Agrium officials reacted quickly to call in assistance when water laced with acid breached a safety wall in the company's settling ponds. Because of their swift action, cooperation among responders and the frozen ground, no damage to livestock, wildlife or the aquifer occurred.

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ATTENTION FARMERS - AVOID LIABILITY!

Hire Licensed Contractors

State and federal laws require most farm labor contractors to:

- Register with the state;
- Pay workers at the wages they were promised but never less than \$5.15 an hour;
- Provide written statements of earnings and hours worked;
- Provide worker's compensation coverage;
- Transport employees in vehicles that are properly insured, meet federal and state safety standards and operated by licensed drivers;
- Provide access to sanitary drinking water, bathrooms and facilities for washing hands;
- Make sure any housing that is provided meets federal and state safety and health standards.





Photo courtesy of the U.S. Department of Agriculture Natural Resources Conservation Service



Wage and Hour Division
317 W. Main St., Boise, ID 83735
Craig Soelberg,
Wage and Hour Supervisor

For a list of licensed farm labor contractors, contact Idaho Commerce & Labor's Wage and Hour Division at 1-800-843-3193 or visit us on the Web at cl.idaho.gov/wh